



How does the Economic Crisis Impact San Bruno's Budget?

- Home assessed values are declining; foreclosures are up
 → property tax revenue is expected to decline
- Auto dealers represented 12% of the City's total sales tax revenue in 2007. Sales are down 27% since 2007.
- City lost \$1.5 million due to Lehman Brothers' bankruptcy.
- The Shops at Tanforan is the City's single largest source of sales tax revenue, nearly 30% of the total. Sales tax receipts are declining since 2007.
- Hotel tax revenue has been declining for the past 4 months



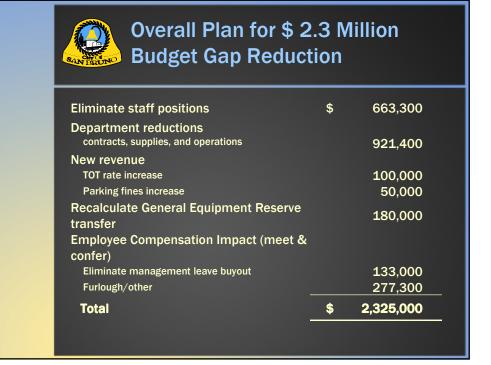
Budget Strategies 2009-10: Responding to the Economic Crisis

- · Adopt balanced budget
- Balanced budget will not be achieved by use of reserves
- Develop policy for minimum reserve balance and use of reserves
- Freeze employee compensation through June 30, 2010
- Establish employee budget-working group to recommend budget and service reductions
- Evaluate strategies to increase revenues

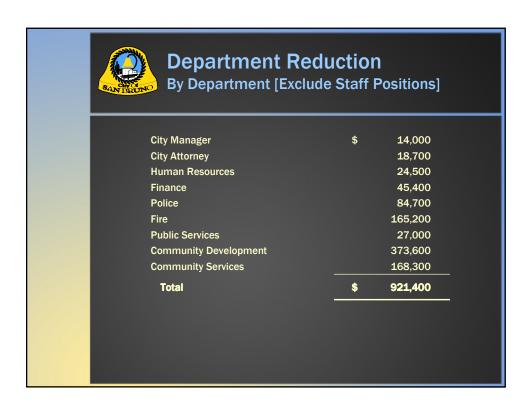


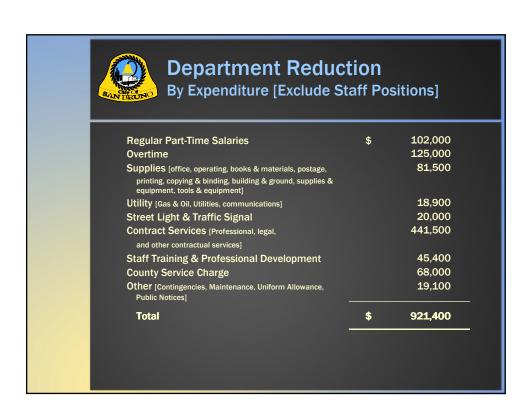
Employee Budget-Working Group Process

- Weekly working group meetings
- Meetings facilitated by City Manager
- Committee's ideas explored and summary of initial analysis provided at the beginning of the each meeting
- All workgroup ideas were categorized and ranked by committee members
- Committee has been kept informed about the departmental reduction strategies and potential impacts to employees



| Eliminate Staff Positions | |
|---|-------------------|
| Frozen/Vacant/Eliminated Positions | sitions |
| Police Department 1 Police Officer; Public Safety Dispatcher; Executive Assistant | \$ 251,000 |
| Community Development Senior Planner; Plan Check Engine | 182,000 neer |
| Public ServicesService Manager reorganization | 74,900 |
| Community Services Lead Maintenance Worker; Library Assistant I/II | <u> 155,400</u> |
| Total | <u>\$ 663,300</u> |







Increase TOT rate from 10% to 12%

- Projected annual revenue: \$270,000
- Estimated revenue from January June 2010: \$100,000
- Council provided direction to proceed with placing Transient Occupancy Tax Measure on the November 2009 Ballot on April 14, 2009.

Increase parking fines

- Projected revenue: \$50,000
- Council authorized an increase in fines for parking violations as defined in the California Vehicle Code on March 10, 2009



- Annual accumulation for replacement of city vehicles and equipments.
- General Fund Equipment Reserve at 6/30/2008: \$5,686,300
- Since 2004-05,
 - transfer to Equipment Reserve \$613,164 each year,
 - average annual Equipment Reserve expenditure \$340,000
- Reduce annual transfer from \$613,164 to \$422,052



MOU provision for management leave in lieu of limited overtime. Buyout provision once per year

- SBMEA and Mid-Management units
- 2008-09 General Fund budget \$133,000
- Meet and confer

Employee Compensation Impact Furlough

- General Fund, Public Safety, Enterprise
- <u>3-Days</u> <u>6-Days</u> <u>12-Days</u> <u>24-Days</u> 1.15% 2.31% 4.62% 9.23%
- All General Fund, 6-days savings \$363,000
- Close non-public safety facilities



Public Service Impact

- Increased Police response times to non-emergency calls for services
- Decrease in available patrol time to generate officer initiated activity
- Increase in referrals to on-line Police report system
- Delay in Fire providing emergency response when multiple or simultaneous calls occur in District 51
- · Close Library one additional day per week
- Close Senior Center Friday afternoon
- · Reduce field maintenance
- Decrease Park maintenance and management of open space areas
- Reduce/eliminate over the counter Community Development plan check
- Increase Community Development plan check turnaround time
- · City Hall and other facilities closed



Employee Budget-Working Group Priority Ranking

- Increase TOT rate from 10% to 12%
- Expand street sweeping program to west of El Camino Real
- · Establish employee furlough program
- · Establish camera red light enforcement at intersections
- Reduce General Fund overtime expenses
- Consider putting 911-tax on ballot
- Consider putting general purpose parcel tax on ballot
- Plan parking meters for downtown streets and parking lots
- Maximize benefits to the City from the Federal Economic Stimulus bill